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C O N F I D E N T I A L TAIPEI 001732

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SUBJECT: PRC ACADEMIC SAYS "SHARED SOVEREIGNTY" WITH TAIWAN
A POSSIBILITY

Classified By: Deputy Director David J. Keegan, Reason(s): 1.4 (B/D).

¶1. (U) Summary: For the first time to our knowledge, a well-known PRC academic affirmed publicly in Taiwan the prospect of China "sharing" its sovereignty with Taiwan. This suggests the possibility of a Track II-type dialogue between the PRC and Taiwan. End summary.

PRC: Might Share Sovereignty With Taiwan

¶2. (U) On May 12, international investment brokerage company CLSA hosted a three-way DPP-PRC-KMT cross-Strait forum in Taipei. Shanghai Institute of American Studies professor Ding Xinghao said China will not agree to talks on terms that recognize Taiwan independence and sovereignty. Though the PRC cannot accept the idea of separate Taiwan sovereignty, he continued, Beijing might accept the notion of "shared sovereignty" with Taiwan.

KMT and DPP: PRC Must Respect Taiwan

¶3. (U) Gallup Company Chief Consultant and KMT supporter Tim Ting seemed to echo Professor Ding's remarks, while adding a caveat. Ting suggested that China should trade in its unsuccessful "Taiwan belongs to China" strategy in favor of pursuing a "Chinese confederation," under which Taiwan and China would "share" sovereignty. But, if China refused to recognize or respect Taiwan's elected officials and its democratic system, then any notion of a confederation would be meaningless. Ting expressed the hope that Beijing would be more willing to work on the sovereignty problem through direct talks with a KMT-led government, if the KMT wins the presidency in 2008. He predicted that if Beijing stonewalls Ma like it has Chen, then the Taiwanese people will turn away from Chin, and the cross-Strait situation will become even more difficult.

¶4. (U) DPP Legislator Chuang Suo-hang asserted that the DPP is flexible on cross-Strait affairs because it is pragmatic and "election-oriented" and will do whatever will yield the best results for DPP candidates. The DPP recognizes that Taiwan voters are interested in better relations with the PRC for economic and security reasons. According to Chuang, President Chen will not accept the "One China" principle or

the 1992 Consensus, but would be willing to meet in the "spirit of the 1992 talks." Chuang suggested that Chen would be willing to visit the PRC without preconditions and without his formal title, as long as he is afforded the proper respect as the elected leader of the Taiwan people. The only remaining obstacle, Chuang argued, is China's refusal to drop the "One China" principle.

15. (U) Chuang said the DPP is willing to discuss "a wide range of options" for improving cross-Straits relations, but cannot do so without a willing partner in Beijing. He opined that President Chen would be taking a considerable political risk by trying to reopen formal dialogue with Beijing, but would do so if there was a real possibility for improvement. If Beijing were to offer Chen an olive branch, Chuang surmised, the cross-Straits situation "could change very quickly" for the better. On the other hand, if China rejected a Chen overture, Chen's position would grow even weaker, making him even more unpredictable and more likely to shore up his deep-Green base at the expense of cross-Straits stability.

Comment: "Shared Sovereignty"

16. (C) None of the participants in this one-hour forum were official representatives of their respective parties, but it is significant that Tim Ting and Prof. Ding both spoke of "shared sovereignty," even though neither offered specifics. While DPP legislator Chuang did not go quite that far, he did stress flexibility. The fact that all three seemed to be focusing on common ground rather than differences suggests the possibility of a Track II-type dialogue in Taiwan.

YOUNG